

Legal Settlement Issues
Adult Mental Health and Developmental Disabilities Service System Work Group
October 7, 2009

- ◆ Legal settlement means that a qualifying individual's mental health and disability services are paid by the county in which the individual most recently lived for a year without receiving services.

Why should we change?

- ◆ An individual may need to rely on funding from a county long after there is any relationship with that county.
- ◆ Individuals who receive other services that are county-funded may have to deal with two different counties for funding decisions.
- ◆ Determination of legal settlement for an individual may be complex and time-consuming, particularly if the individual has moved a lot, has received services intermittently over the years, or has just turned 18 and parental rights were terminated long ago or there are complex custody issues.
- ◆ As long as funding follows individuals as they move, most of the current disincentives to accept funding responsibility for individuals should disappear.
- ◆ Counties are responsible for planning for services to individuals who may be scattered across the state, rather than concentrating on working with local providers to ensure a cohesive, high quality service delivery system.
- ◆ Having the counties where individuals reside manage the services paid through the State Payment Program (SPP) has saved money. However, there doesn't seem to be an incentive to reduce or eliminate DHS's waiting list for the ID Waiver (and perhaps soon the Habilitation Option), even though it ends up costing the state more to pay for services through SPP.

What has been done so far?

- ◆ Beginning July 1, 2008, for new individuals and for new services to existing service recipients, the County Management Plan in the county of residence was used to determine eligibility for services, with the county of legal settlement still paying.
- ◆ In some ways, this has further complicated the provision of services as various counties have learned to deal with the nuances of other counties' management plans and counties have to maintain different processes for new services vs. renewals of existing services.
- ◆ Preliminary analysis of FY08 payment information reveals that moving to residency as a basis for payment, with residency being defined as living outside a licensed facility, would significantly change the level of funding required across the counties.
 - 14 counties would have a reduction in expenses >20%
 - 16 counties would have an increase in expenses >20%
 - 18 counties would have a reduction in expenses of 5-20%
 - 21 counties would have an increase in expenses of 5-20%
 - 30 counties would have <5% change in expenses (increase or decrease)

What needs to happen to move ahead?

- ◆ Refine analysis of effect on county expenses using FY09 data when available
- ◆ Change formula for allocating state funds so money follows individuals as they move
- ◆ Include Medicaid match for "state cases" in the state fund allocated to counties
- ◆ Include state appropriation for "state cases" at mental health institutes and state resource centers in the state fund allocated to counties
- ◆ Ensure that residency definition no longer precludes students from outside Iowa attending Iowa colleges and universities from receiving mental health treatment, and include funding to cover their services